

CA2
AL
T
B77 1939



BUDGET SPEECH

THE HON. S. D. LONG

GOVERNOR OF THE STATE OF ALABAMA

DELIVERED ON FEBRUARY 10, 1939

1939

Legislative Assembly of Alabama

PRINTED BY THE ALABAMA GOVERNMENT PRINTING OFFICE

ALBANY, N. Y.

THE ALABAMA GOVERNMENT PRINTING OFFICE





BUDGET SPEECH

OF

THE HON. S. E. LOW

TREASURER OF THE PROVINCE OF ALBERTA

Delivered on February 27th
1939

IN THE

Legislative Assembly of Alberta

ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY

ALSO STATEMENTS OF
FINANCIAL AND GENERAL INFORMATION

PUBLISHED BY ORDER OF THE LEGISLATIVE ASSEMBLY

EDMONTON
A. Shnitka, King's Printer
1939

BUDGET SPEECH

DELIVERED BY

THE HON. S. E. LOW

Treasurer of the Province of Alberta

February 27th, 1939

MR. SPEAKER:

Once again it is my privilege to move that the House resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

This is the third occasion on which I have had the honour of moving this resolution, and I assure you, Mr. Speaker, that my responsibility is more keenly felt on this occasion even than it was on the first. I again take the opportunity of reviewing the statements of the Province for the fiscal year ended March 31st, 1938; the statement for the nine months period ended December 31st, 1938; and the estimates for the ensuing fiscal year ending March 31st, 1940.

Before dealing with the financial statements, I should like to refer briefly to the productive income of the principal industries of the Province and to certain phases of Government business.

AGRICULTURE*

Dependent as we are upon the condition of Agriculture, our major industry, the figures of production and value of our agricultural products will, I trust, impress upon the members of this Assembly and upon the general public also, the urgency of the most careful and intensive study of the problems relating to this basic industry. It is noteworthy that steps in this direction have already been taken at the instance of the Honourable, the Premier of Manitoba, through the setting up of a committee which it is hoped will accomplish something worth while in co-ordinating the varied opinions which exist as to the best methods of solving the agricultural problems.

The acreage seeded to wheat in 1938 of 7,969,000 acres yielded approximately 17.9 bushels per acre as against 9.7 bushels in 1937. The total estimated yield is 143,000,000 bushels as compared with 75,700,000 bushels in 1937. It should be noted that although the production of 1938 showed an increase of 67,000,000 bushels over that of 1937, the farmers of this Province will have received approximately \$82,940,000 as compared with \$77,214,000 for 1937, an increase of only \$5,726,000; the average price per bushel being \$0.58 as compared with \$1.02 per bushel the previous year.

Oats yielded 101,000,000 bushels,—an increase of 24,000,000 bushels, valued at \$15,150,000,—a decrease in value of \$11,800,000.

* For comparative statement of Agriculture production for the years 1937 and 1938 see Statement No. 5, pages 24 and 25.

Summarized, the total grain crop is estimated at \$105,068,000,—a decrease in value of over \$10,000,000 as compared with the value of the 1937 crop. Dairy production reached a total of \$17,871,321,—an increase of \$734,000. The volume of creamery butter showed an increase of 4,868,806 pounds. Live stock marketed was valued at \$27,389,920,—a reduction of \$4,587,000. The value of all agricultural products is estimated at \$172,686,102 as compared with \$192,439,195,—a decrease of \$19,753,093.

The marketing of agricultural products is challenging the attention of the best trained minds of the West, but it is a problem of such magnitude and importance that it must have the most careful, intensive study, not only by the Provinces dependent upon the well-being of the agriculturist, but also by the Government of the Dominion of Canada whose prosperity is inseparably bound up with the prosperity of the farmer.

BEET SUGAR INDUSTRY

This industry records another successful year. While the acreage showed a slight decrease of 500 acres, it is most gratifying to note that with increased experience and better cultural methods, the yield per acre rose from 11.53 to 12.74 tons, and the estimated total yield will reach 251,000 tons. It is also important to note that the Company operating the two factories at Picture Butte and Raymond has entered into an agreement with the beet growers at Taber to establish another factory in that area by the year 1942. It is felt that the sugar industry is vital to the success of Southern Irrigation Districts, but here again, marketing becomes a problem, and it is hoped that expansion in the industry will be no faster than the establishment of market for the product.

The by-products of the sugar factories have contributed in large measure to the growth of an important stock-feeding and finishing activity that is yielding good returns to the feeders and which, at the same time, is helping to stabilize our beef and mutton market. This Government is encouraging the formation of feeder associations in the sugar-producing areas, as well as in other parts of the Province where feed is plentiful.

NATURAL RESOURCES

Turning now to the Natural Resources of our Province, it is most gratifying to report a year of unprecedented development with respect to the production of petroleum. Notwithstanding proration, the production totalled 6,742,039 barrels, valued at \$8,638,926,—an increase of over 3,900,000 barrels of oil, and an increase in value of \$3,724,966, as compared with the calendar year 1937.

During the period, 39 wells were completed in Turner Valley. Of these, 37 were commercial producers; one was abandoned; and one is still under test. A new well seventeen miles North-west of the proven crude oil zone in the Southern end of Turner Valley was brought in during the year, and greatly enlarged the present oil field. There are 16 wells being drilled on potential oil structures outside the Turner Valley field; and it is reasonable to anticipate further extensions to the known producing oil fields of the Province.

During the year definite measures were taken by the Government with respect to the conservation and orderly development of these

resources. Already the Petroleum and Natural Gas Conservation Board has implemented plans designed to minimize the wastage of gas and preserve the life of the field. The Royal Commission, also appointed by the Government, is now conducting a probe into the price structure of petroleum products.

The value of natural gas consumed during the year at the well-head price of .04 per thousand cubic feet is \$1,073,993. Coal produced totalled 5,230,025 tons, worth \$13,689,758,—a decrease in value of about \$750,000. Here too, the marketing problem is being tackled seriously by this Government. Production from the forests was valued at \$3,004,800,—an increase of \$553,700.

Last year I mentioned the establishment of a salt plant at McMurray. The production during the year was confined to coarse salt, of which approximately 3,995 tons were marketed, valued at \$39,950. I understand plans are under way for the processing of various grades of salt during the present year, and the volume marketed will, no doubt, be greatly in excess of the production last year.

The value of all products derived from the resources of the Province totalled \$35,177,901,—an increase of \$6,682,419 over that of the past year.

I am pleased to say that the increased value of the production from our resources is also reflected in the increased revenue received through the Lands and Mines Department, the revenue for the year ended March 31st, 1938, being \$1,606,156.50, while for the ten months of the present fiscal year, that is to January 31st, 1939, we have received the sum of \$1,580,000; and the estimate of revenue for the entire year will be exceeded. I am sure, Mr. Speaker, the policies inaugurated by this Government have done much to encourage the development of these resources.

Turning now, Mr. Speaker, to certain financial undertakings of the Government:

THE ALBERTA CO-OPERATIVE RURAL CREDIT ACT

The report setting out the operations of these Societies has been tabled. The outstanding loans to members of the Societies included in the Alberta Rural Credit Corporation as at December 31st, 1938, totalled \$1,419,681.92 as compared with \$1,486,272.25 on the corresponding date of the previous year. New loans made during this period amounted to \$39,827.38; and repayments totalled \$121,031.25. Loans were taken up by the Province under its guarantee to the sum of \$80,807.78. Interest added during the year totalled \$95,421.32. The net reduction is shown at \$66,590.33.

As I have stated in my previous budgets, twenty of these societies are located in that portion of the Province defined as the Drought Area; and of these, twelve are situated in the Special Areas. Many of the borrowers have removed to other parts of the Province with a view to re-establishing themselves; and little can be accomplished in improving the position of these accounts.

With respect to the Sugar Beet Societies, loans made to members during the calendar year ended December 31st, 1938, totalled \$61,468.20; and all loans together with interest were fully paid as at December 31st, 1938.

GUARANTEES IMPLEMENTED BY THE PROVINCE

During the period from July, 1931, to December 31st, 1938, the Province has implemented its guarantee in connection with societies under The Alberta Co-operative Rural Credit Act to the sum of \$496,-565.61. Total collections made from the borrowers including \$12,644.55 collected during the calendar year ended December 31st, 1938, amounted to \$28,141.90. From the reserve fund of the Alberta Rural Credit Corporation the Treasury has been reimbursed to the amount of \$210,776.56 on principal and \$10,403.30 on account of interest—a total of \$221,179.86, leaving a balance owing the Province of \$285,129.16 as at December 31st, 1938. Further repayments will be made from the accretions to the Reserve Fund.

Outstanding loans to members of societies which were placed in liquidation in 1931 and not included in those incorporated as members of the Alberta Rural Credit Corporation, to which I have previously referred, total \$390,268.82. Recoveries from all sources amounted to \$53,183.81, of which \$2,732.28 was collected during the year 1938. Many of these borrowers have abandoned their holdings, and others have placed their affairs under The Farmers' Creditors Arrangement Act, so that substantial recoveries are not possible.

ALBERTA RURAL CREDIT CORPORATION

The capital and reserve fund of the Corporation constitute a reserve against the loans outstanding in Societies to which I have referred, totalling as at December 31st, 1938, \$1,419,681.92. The paid-up capital of the Corporation as at December 31st, 1938, totalled \$307,-531.98, and the reserve fund, \$21,803.46,—a total of \$329,335.44. During the year the sum of \$39,500 was paid to the Treasury from the Reserve Fund on account of loans implemented by the Province.

The policy of careful supervision of these loans will be continued; and a further sum of \$75,000 is provided in the Estimates for the purpose of implementing the guarantee of the Province with respect to loans which it is considered advisable to take up from the lending Banks.

THE CO-OPERATIVE MARKETING ASSOCIATIONS GUARANTEE ACT

Total loans to Co-operative Dairy Associations under the guarantee of the Province stood at \$189,506.83 as at March 31st, 1938, reductions totalling \$22,065 having been made during that fiscal year. Subsequent payments of \$11,032.50 were made up to January 31st, 1939. Under the amendment to the Act passed at the first session of the 1938 Legislature, additional assistance to the amount of \$10,000 was furnished by guarantee, and the total liability of the Province under its guarantee as at January 31st, 1939, amounted to \$188,474.33.

It should be remembered, Mr. Speaker, that the original liability of the Province by way of guarantee with respect to these Associations in 1929 when they commenced operations totalled \$414,560; and it is indeed gratifying to note that in addition to the dividends the producer members of these Associations have received, the liability of the Province during the period has been reduced by the substantial sum of \$226,086. The results to date have clearly demonstrated the value of efficiently-directed co-operative marketing enterprises.

ALBERTA WHEAT POOL

This Co-operative organization again paid the instalment due on its debenture held by the Province, bringing the payments up to a total of \$1,162,000. The original amount due the Province of \$5,649,000, has now been reduced to \$4,487,000.

While, in common with all Grain Companies, they have experienced some difficulty in maintaining their earnings, they have held their liquid position, and have experienced no difficulty in meeting their debenture payments.

THE ALBERTA HAIL INSURANCE BOARD

This Board was constituted under legislation passed at the first session of the Legislature in 1938. Operations of the Municipal Hail Insurance Board had been discontinued and, based on their experience, major changes were necessary if any further plan of hail insurance were to be evolved which would afford this form of crop protection at cost or on a non-profit basis, and without involving the Province financially. Advances by the Province totalling \$25,000 were made to meet the operating expenses, and the sum was repaid from collections.

It is most gratifying, Mr. Speaker, to report that our expectations were more than realized by the results of the Board's operations during the past crop season. Applications numbering 9,285 were accepted by the Board covering 1,506,551 acres with a total risk, of \$7,115,126. Total premiums payable amounted to \$613,861.02, and payments already received as at January 30th, 1939, totalled \$607,861.67, or approximately 99% of the total—a most creditable record. Under the terms of the Act, 50% of the losses were payable November first, and further payments April first in each year. The sums payable last November were made in full from premiums collected by that date. In Areas A, B, C, E and F, claims totalling \$202,093 will be paid in full; and in areas designated D and G, losses awarded totalling \$343,561 will be paid on a *pro rata* basis of not less than eighty per cent.

Claims totalling \$545,654 were relatively heavy, especially in the first year of operation. However, the plan has stood a most severe test; and it is reasonable to expect it will continue to do so.

I wish at this time to commend the Board and its officers for their whole hearted efforts in showing such a satisfactory statement; and I also wish to express our appreciation of the way in which the insured co-operated in the matter of meeting their premium payments without which the plan cannot succeed.

In addition to the financial assistance provided by the Government with respect to the activities I have just mentioned, I think, Mr. Speaker, I should outline to the members of this Assembly the assistance given by way of Government guarantees which are not directly shown in the estimates that I will deal with later in my address. I refer now to the financing of:

AGRICULTURAL RELIEF

In 1936 direct advances were made by the Province with the assistance of the Dominion Government to Municipal and Improvement Districts for seed requirements. In the years 1937 and 1938 assistance was provided by the joint guarantee of the Dominion and

this Government, and advances were made by the chartered Banks to Municipal Authorities under the guarantee. The following figures will give you the position of these advances and guarantees as at December 31st, 1938:

	Original Amount	Balance Unpaid as at Dec. 31, '38
1936 Advances:		
Special Areas.....	\$ 86,908.49	\$ 81,798.05
Semi-arid districts.....	29,675.33	23,445.23
Balance of Province.....	712,768.41	115,845.13
	<hr/>	<hr/>
	\$ 829,352.23	\$ 221,088.41
1937 Guaranteed Advances:		
Special Areas.....	\$ 331,899.79	\$ 252,312.59
Semi-arid districts.....	302,248.39	181,248.81
Balance of Province.....	690,400.43	142,478.55
	<hr/>	<hr/>
	\$1,324,548.61	\$ 576,039.95
1938 Guaranteed Advances:		
Special Areas.....	\$ 584,181.45	\$ 536,996.85
Semi-arid districts.....	491,952.26	374,766.98
Balance of Province.....	317,382.57	134,265.89
	<hr/>	<hr/>
	\$1,393,516.28	\$1,046,029.72

Total advances and borrowings guaranteed amounted in the three years under review to \$3,547,417.12. Payments to December 31st, 1938, totalled \$1,704,259.04; and the unpaid balance was \$1,843,158.08. Of this amount \$1,622,069.67 represents advances made by the Banks under the guarantee of both the Dominion and the Province. I might add that 86.85% of the advances made in the Special Areas of the Province, 70.3% of those in the semi-arid districts, and 22.8% pertaining to seed supplied in the balance of the Province, remain unpaid. These advances were restricted to seed and Spring requirements only, and do not include other assistance granted for fodder or fuel oil directly by the Province under appropriations provided in the Estimates and by Special Warrant. I feel, Mr. Speaker, that the reduction can be regarded as very satisfactory in view of the crop conditions in the areas where the distribution was made; and it is reasonable to anticipate further reductions before the Province is required to implement its guarantee.

DIRECT LOANS AND GUARANTEES TO MUNICIPAL AND SCHOOL DISTRICTS

At various times in and outside of this Assembly, charges have been made that the Government has given little or no assistance to Municipal and School Authorities. I should like to point out, however, that in addition to the appropriations made by the Legislature, the Province has given, both by direct advances from the Treasury and under guarantee, assistance to Municipalities and School Districts in order that they may maintain those services which are essential to the well-being of the people within their respective units, and which, without Government assistance in some form, they could not otherwise

provide. I give to you, Mr. Speaker, the following figures, setting out this form of assistance furnished from 1931 to 1938 inclusive:

GOVERNMENT GUARANTEES
BANK LOANS GUARANTEED BY THE GOVERNMENT

Years:	School Purposes	Municipal Purposes	Total
1931-1933.....	\$ 232,818.30	\$ 28,100.00	\$ 260,918.30
1934.....	75,703.95	11,649.65	87,353.60
1935.....	88,276.25	41,609.00	129,885.25
1936.....	111,938.50	58,738.71	170,677.21
1937.....	233,875.76	17,800.00	251,675.76
1938.....	390,420.59	6,000.00	396,420.59
	<u>\$1,133,033.35</u>	<u>\$163,897.36</u>	<u>\$1,296,930.71</u>

TREASURY LOANS

In addition to the above, the following sums were advanced directly by the Government:

Year:	School Purposes	Municipal Purposes	Total
1937.....	\$ 78,515.87	\$ 45,507.95	\$ 124,023.82
1938.....	70,084.88	66,601.43	136,686.31
	<u>\$ 148,600.75</u>	<u>\$112,109.38</u>	<u>\$ 260,710.13</u>

Guarantees and direct loans to School Districts during the same period amounted to \$59,930.49. Borrowings guaranteed, and direct loans from the Treasury for school and municipal purposes totalled during the years 1931 to 1938 \$1,616,571.33. At December 31st, 1938, payments made had reached a total of \$908,979.49, and the balance outstanding was \$707,591.84. Of this sum, \$458,334.66 is due the Government of the Province, and \$249,257.18 is carried by the lending Banks under the guarantee of the Province.

I feel, Mr. Speaker, that these figures will be of real interest, not only to the members of this Assembly, but to the general public also; and they support my opinion that the Government has substantially assisted those local authorities who, through adverse conditions in their respective Districts, could not maintain on their own resources, the essential services for which they are directly responsible.

THE MUNICIPAL IMPROVEMENTS ASSISTANCE ACT

Under the provisions of this Dominion legislation, loans are made available to Municipal Authorities for self-liquidating projects at the rate of two per cent. The loans, if approved by Ottawa, are contingent upon the approval and guarantee of the Province as to repayment. The Government has co-operated with the Municipal Authorities desirous of securing loans under this Act, and to date has approved and undertaken to guarantee the following borrowings:

City of Calgary.....	\$196,000.00
City of Edmonton.....	193,185.00
City of Lethbridge.....	100,000.00
City of Medicine Hat.....	26,133.73
City of Red Deer.....	55,000.00
City of Wetaskiwin.....	26,000.00
Town of Peace River.....	16,500.00
Town of Grande Prairie.....	50,000.00
Claresholm Municipal Hospital District.....	24,000.00
	<u>\$686,818.73</u>

Under the terms and regulations of this Act the Province as guarantor is required to take a specific charge on the project and/or a charge on the revenue derived from the asset. Legislation enabling the Municipal authorities to comply with the regulations and empowering the Province to guarantee approved borrowings will be placed before you at this Session. The Government, Mr. Speaker, is of the opinion that such assistance by way of guarantee should be furnished in order that Municipal Bodies may secure funds for necessary projects at a reasonable rate of interest.

PUBLIC ACCOUNTS 1937-1938

You have already had placed before you the Public Accounts of the Province for the fiscal year ended March 31st, 1938; and each honourable member of this House has been furnished with a copy.

INCOME AND CAPITAL ACCOUNTS

I invite the attention of the Assembly to the summarized result of operations for the fiscal year under review set out on pages 9 and 10 of the Analysis of the Public Accounts. It will be observed that, after taking into consideration debt charges amounting to \$3,961,011.41 and net unemployment relief expenditures of \$2,059,783.80, there is a resultant surplus on Income Account amounting to *\$2,768,066.08. In passing I should mention that it is customary for this Government to bring down a budget that links up Capital and Statutory expenditures with Income Account in a more definite sense than in years gone by. In the summarized results we now have under consideration, we have gone so far as to bring down the resulting balance after applying the net capital expenditures to the surplus on Income Account.

The over-all result of operations on the combined Income and Capital Accounts, as you will note, was a surplus of \$1,083,494.43 after deducting net capital expenditures of \$1,684,571.65 from the favourable balance on Income Account of \$2,768,066.08, above referred to. In order, however, to get a complete picture, it is necessary to go a step further and examine the effect of this over-all surplus of \$1,083,494.43 in relation to our financing for the year 1937-38. After taking into account proceeds of Treasury Bills, a small bank loan (since redeemed), and deposits, chiefly to the Superannuation Fund, altogether amounting to \$967,378.66, it will be seen that we have an available balance of \$2,050,873.09, which was applied in part as follows:

Net redemption of Savings Certificates.....	\$1,126,732.60
Net reduction in Accounts Payable.....	371,347.59
Decrease in miscellaneous liabilities.....	10,609.00
Net purchase of investments.....	2,786.45
	<hr/>
	\$1,511,475.64

The residual balance of \$539,397.45 represents an increase of cash on hand which, taken in conjunction with the cash on hand at the end of the previous year of \$139,047.51 results in a total cash balance applicable to the year 1937-38 of \$678,444.96, as reflected in the condensed statement of Cash Receipts and Payments, Statement No. 10, to be found on Page 71 of the Public Accounts.

* For schedule of surpluses and deficits on Income Account since inception of Province see Statement No. 4, page 23

FUNDED AND UNFUNDED DEBT*

The funded debt of the Province as at March 31st, 1938, totalled \$155,606,208.09, of which \$26,547,948.00 represents Treasury Bills due to the Dominion Government raised for the purposes detailed on Page 22 of the Analysis. Against the total funded debt we hold sinking funds of \$12,033,078.01, leaving a net funded debt of \$143,573,130.08.

Our net unfunded debt was decreased by \$1,801,451.22 from last year, the decrease being chiefly accounted for by redemption of Savings Certificates and increased cash on hand. The total net funded and unfunded debt aggregated \$157,015,416.93, or a net decrease from the previous year of \$1,715,524.32. From the total of \$157,000,000 odd there may properly be deducted realizable or income-producing assets as follows:

Loans, advances and accounts receivable (fully secured).....	\$12,809,316.86
Working advances (net assets).....	655,494.68
Alberta Government Telephones: Exchange and Toll Plant and Supplies, at cost.....	15,701,578.27
(Leaving a net general debt of \$127,849,000 to the nearest thousand.)	<u>\$29,166,389.81</u>

CONTINGENT LIABILITIES

By way of comparison with the previous fiscal year our contingent liabilities show an increase for the fiscal year ended March 31st, 1938, of \$486,068.77, largely accounted for by guaranteed advances in Municipal and Improvement Districts for seed grain, relief and tractor fuel oil. These guaranteed advances together with outstanding loans to Central Alberta Livestock Feeders Association and a small increase in Binder Twine Loans amounted to \$846,544.60, which, however, is offset to the extent of \$360,475.83, mainly by decreases in guarantees to Alberta Hail Insurance Board, Co-operative Marketing Associations, Lethbridge Northern Irrigation District, Municipal Districts' loans, and Co-operative Credit Societies by reason of implementation by the Province or by reductions effected during the fiscal year by these various bodies.

SUMMARIZED CASH STATEMENTS FOR NINE MONTHS ENDED
DECEMBER 31ST, 1938, AND FORECAST

In addition to the Public Accounts for the last fiscal year, I have recently tabled, and you have been furnished with, the Interim Financial Report covering the nine months' period of the current fiscal year, ended December 31st, 1938. This report, as you are aware, is limited to a purely cash basis, like all other quarterly reports which are issued from time to time, and must be interpreted in that light.

Results on Income Account for ordinary services show an excess of cash receipts over payments of \$3,491,731.48 for the period. After bringing in net unemployment relief expenditures of \$1,146,523.66 the cash surplus on Income Account appears as \$2,345,207.82†. The discontinuance of the Dominion and Provincial Work Camps, an earlier re-imbursement in the current period from the Dominion Government, and a monthly grant in excess of the previous year's period account for the apparent decrease in unemployment relief.

* See Statements Nos. 1 and 2, pages 18 to 21, for details of Funded Debt and Analysis of Funded and Unfunded Debt as at December 31, 1938.

† For Comparative Statement of Receipts and Payments for the nine months ended December 31, 1937, and December 31, 1938, see Statement No. 3, page 22.

Net capital expenditures for the period amounted to \$1,780,176.59, which, deducted from the cash surplus on Income Account leaves an over-all cash surplus, excluding borrowings and debt redemption, etc., of \$565,031.23.

Continuing from this point, the source and disposition of funds statement on page 2 of the report leads to a resultant increase in available cash of \$499,405.88 before distribution of the estimated Suspense item of \$350,000.00 which represents the estimated proportion of tax collections to be distributed by Statute to Improvement District's Trust Account, Hospital Loans, School Requisitions Trust Account, Seed Grain Trust Accounts, and amounts refundable to School Districts and individuals.

I do not propose to deal with the increases and decreases in receipts and payments on Income Accounts other than the short reference I have already made to Unemployment Relief, since they are clearly set out in the report.

I may say, Mr. Speaker, that based on present indications, the results for the complete fiscal year will be comparable with the Estimates passed at the last regular session of the Legislature.

ESTIMATES OF REVENUE AND EXPENDITURE, 1939-1940

I now direct your attention, Mr. Speaker, to the Estimates for the ensuing fiscal year ending March 31st, 1940, copies of which have been placed before the members of this Assembly.

Revenue on Income Account is estimated at \$18,818,745; and expenditures, including provision for unemployment relief, \$17,621,175.52, the estimated surplus being \$1,197,569.48.

The anticipated revenue of \$18,818,745 exceeds the estimates for the current year by \$677,614.40.

By Departments the estimated revenue is as follows with comparative figures for the present fiscal year:

REVENUE—INCOME ACCOUNT

	Estimates 1938/39	Estimates 1939/40	Increase	Decrease
Dominion of Canada.....	\$ 1,776,100.60	\$ 1,787,475.00	\$ 11,374.40	\$ -----
Agriculture Dept.....	276,230.00	280,550.00	4,320.00	-----
Agriculture Dept. (Water Resources).....	1,000.00	1,000.00	-----	-----
Attorney General's Dept.....	690,365.00	751,490.00	61,125.00	-----
Education Dept.....	180,940.00	168,290.00	-----	\$ 12,650.00
Executive Council.....	60,000.00	70,000.00	10,000.00	-----
Legislation.....	1,035.00	1,035.00	-----	-----
Municipal Affairs Dept.....	1,634,225.00	1,494,200.00	-----	140,025.00
Provincial Secretary's Dept....	6,095,065.00	6,458,225.00	363,160.00	-----
Public Health Dept.....	325,860.00	340,180.00	14,320.00	-----
Public Works Dept.....	332,550.00	426,900.00	94,350.00	-----
Railways and Telephones Dept. (Railways Br.).....	223,200.00	223,200.00	-----	-----
Trade and Industry Dept.....	97,425.00	150,425.00	53,000.00	-----
Treasury Dept.....	4,847,135.00	4,788,975.00	-----	58,160.00
Lands and Mines Dept.....	1,600,000.00	1,876,800.00	276,800.00	-----
	<u>\$18,141,130.60</u>	<u>\$18,818,745.00</u>	<u>\$888,449.40</u>	<u>\$210,835.00</u>

The estimated net increase in revenue of \$677,614.40 is based in the main on the final or actual figures we expect for the current year. Increased receipts are indicated from the following sources:

The Fuel Oil Tax, \$165,000; The Corporation Taxation Act, \$71,000; the Motor Vehicles and Highway Traffic Act, \$98,600; Petroleum Fees, Rentals and Royalties, \$276,500; Interest on Sales of School Lands, \$25,000; The Public Service Vehicles Act, \$101,000. The sum of \$50,000 is anticipated from increased Income Tax; and the necessary amending legislation will be introduced at this session of the Legislature to provide for it. A further sum of \$50,000 is estimated from the operations of the Marketing Board; and legislation will also be placed before you concerning this new activity. Against these increased receipts we have shown decreased revenue of \$210,835, which includes Wild Lands Tax, \$30,000; Examination Fees (Education), \$17,000; and other decreases.

Turning to the Expenditures, the estimates by Departments with the corresponding figures for the present year are as follows:

EXPENDITURES--INCOME ACCOUNT

	Estimates 1938/39	Estimates 1939/40	Increase	Decrease
Public Debt:				
Interest Charges.....	\$ 4,029,372.50	\$ 3,835,172.50	\$ -----	\$194,200.00
Executive Council.....	213,750.00	216,350.00	2,600.00	
Legislation.....	255,335.00	258,005.00	2,670.00	
Agriculture Dept.....	513,161.86	562,760.99	49,599.13	
Agriculture Dept (Water Resources).....	48,385.10	47,805.10	-----	580.00
Attorney General's Dept.	723,366.66	731,445.00	8,078.34	-----
Education Dept.....	2,663,308.50	2,795,583.00	132,274.50	
Municipal Affairs Dept.....	309,795.00	225,590.00	-----	84,205.00
Provincial Secretary's Dept....	136,811.34	146,693.34	9,882.00	
Public Health Dept.....	2,438,618.96	2,524,610.35	85,991.39	
Public Works Dept.....	2,388,441.00	2,512,065.00	123,624.00	
Railways and Telephones Dept. (Railway Branch) ..	4,550.00	4,650.00	100.00	
Treasury Dept.....	785,797.86	1,099,230.24	313,432.38	
Lands and Mines Dept.	526,631.00	573,540.00	46,909.00	
Trade and Industry Dept.....	191,175.00	193,275.00	2,100.00	
Unemployment Relief.....	1,962,625.00	1,894,400.00	-----	68,225.00
	<u>\$17,191,124.78</u>	<u>\$17,621,175.52</u>	<u>\$777,260.74</u>	<u>\$347,210.00</u>

The increases in expenditures total \$777,260.74; and compared with the present year, decreases in expenditures amount to \$347,210, so that the net increased expenditure is estimated at \$430,050.74.

Under Agriculture sundry increased appropriations totalling \$49,599 are provided for increased services, including \$4,000 for a prevention campaign re Encephalomyelitis; and \$16,300 for the Extension Branch under which several activities of the Department are consolidated. Under Education you will note an increase of \$100,000

for grants to schools. A similar increase was provided in the estimates for the current year, and the purpose of the added amount is to implement the ordinary grants to schools in areas where they are unable to operate without some additional assistance from the Government. An increase of \$16,000 is also shown under Supervision of Schools, which is required under the new policy of adequate supervision in the larger School Divisions. The estimates for the Health Department show a net increase of \$86,000; and includes provision for additional care of Tubercular patients and the usual increase necessary for mental Institutions. Provision for increased expenditures on Main Highway and District Roads total \$85,000 under the Estimates for the Public Works Department, and a further \$35,000 for Maintenance of Legislative and Departmental Buildings, chiefly with respect to Treasury Branches. The increased appropriations under the Treasury Department include \$239,500 for Treasury Branches and increased payments of Old Age Pensions totalling \$75,000. I might add here, Mr. Speaker, that the estimated expenditure for Treasury Branches is based on a fixed number of branches, not exceeding thirty, being established during the year. At this stage great care must be exercised in selecting the points at which Branches should be established; and it is hardly necessary for me to state that the co-operation of the public is essential if these Branches are to operate successfully as an integral part of our interim programme. The total appropriation for the Lands and Mines Department shows an increase of \$47,000. Provision for Fire Fighting of \$25,000 is responsible for an increase of \$19,000. This particular vote is largely uncontrollable and to a great extent is dependent upon climatic conditions. However, in view of our experience during the present year, we have provided a greater sum in case of need. Provision is also made for added inspection under The Coal-Mines Regulation Act, and for the extension of radio communication with respect to protection of forest reserves. We hope, Mr. Speaker, that this particular expenditure, for radio communication, which was instituted last year, will finally result in reduced expenditures for conservation of our timber resources. Relief appropriations show a slight decrease of \$68,225. It is most difficult to estimate the amount required for this purpose since the amount is primarily governed by economic conditions, and the assistance furnished by the Dominion Government under various agreements including the grant-in-aid to the Province is variable; hence the Province's expenditure for relief fluctuates accordingly. I might refer to the Provision for the Youth Training Programme in the Bureau of Relief and Public Welfare. The programme will involve a net outlay by the Province of about \$120,000; the balance to be furnished by the Dominion Government. You will also note a new appropriation in this Branch of \$50,000 under Maternal Welfare, details of which will be furnished the members of this Assembly by the Honourable the Minister of Health.

An item of particular interest, I think, Mr. Speaker, is the reduction in the estimates for Public Debt charges of \$194,200. This reduction will be effected by application of the final payment of \$5,580,000 from the sale of railways due June 1st, 1939, on Treasury Bills of the Province held by the Bank. The amount, you will note, is shown under Capital Receipts.

Dealing now with Receipts and Expenditures on Capital Account, the estimated receipts by Departments with corresponding figures for the present fiscal year follow:

CAPITAL—RECEIPTS

	Estimates 1938/39	Estimates 1939/40	Increase	Decrease
Executive Council	\$ 375,000.00	\$ 398,000.00	\$ 23,000.00	\$
Agriculture Dept.	9,000.00	7,000.00	.....	2,000.00
Agriculture Dept. (Water Resources)....	221,502.36	231,392.10	9,889.74	.....
Education Dept.	7,500.00	4,100.00	.....	3,400.00
Municipal Affairs Dept.	43,000.00	22,800.00	.....	20,200.00
Public Works Dept.	2,700.00	2,700.00	.....	.....
Railways and Telephones Dept. (Railways Br.)....	.....	5,580,000.00	5,580,000.00	.....
Treasury Dept.	298,100.00	201,000.00	.....	97,100.00
Lands and Mines Dept.	8,000.00	8,000.00	.....	.....
Agricultural Relief	126,300.00	94,050.00	.....	32,250.00
	<u>\$1,091,102.36</u>	<u>\$6,549,042.10</u>	<u>\$5,612,889.74</u>	<u>\$154,950.00</u>

The net increased receipts over the present year of \$5,457,939.74 are due to the payment of \$5,580,000 in connection with the sale of the Northern Railways, and to which I have already referred. As a result of this payment, a substantial reduction in the debt of the Province will be effected, with a substantial decrease in the annual provision for debt charges.

The total payments on Capital Account are estimated at \$2,435,734.42 as compared with \$2,523,679.42—a decrease of \$87,945 from the figures for the present year.

The detailed estimates by Departments with the corresponding estimates for the current year are as follows:

PAYMENTS—CAPITAL ACCOUNT

	Estimates 1938/39	Estimates 1939/40	Increase	Decrease
Executive Council	\$ 222,000.00	\$ 254,000.00	\$ 32,000.00	\$
Agriculture Dept.	29,000.00	28,000.00	.....	1,000.00
Agriculture Dept. (Water Resources)....	488,779.42	488,014.42	.....	765.00
Lands and Mines Dept.	10,000.00	10,000.00	.....	.....
Municipal Affairs Dept.	45,000.00	45,000.00	.....	.....
Public Works Dept.	1,304,450.00	1,373,185.00	68,735.00	.....
Treasury Dept.	139,900.00	139,900.00	.....	.....
Agricultural Relief	284,550.00	97,635.00	.....	186,915.00
	<u>\$2,523,679.42</u>	<u>\$2,435,734.42</u>	<u>\$100,735.00</u>	<u>\$188,680.00</u>

The net decreases in expenditure total \$87,945, mainly in the provision for agricultural relief which shows a decrease of \$186,915. The amount required for this purpose will be substantially less than the sum required for the past crop season. It is hoped, however, that arrangements will be completed for the furnishing of seed where necessary under the joint guarantee of the Dominion Government and the Province, as in the past two years.

In the estimates for the Public Works Department, \$1,002,400 is provided for main highway construction, and \$109,250 for district roads. In addition to minor sums required for construction and additions to public buildings and institutions, the sum of \$50,000 is included for additional accommodation at the Provincial Training School at Red Deer. The sum of \$30,000 is also included for an additional dormitory at the Institute at Oliver. These items of expenditure

cannot be avoided, Mr. Speaker. However, I may say that it is felt that certain classes of patients can be well provided for in a lower-cost type of building. It is confidently expected that a greater number of patients will be housed with the funds apportioned for this purpose than has been the case in past years.

ALBERTA GOVERNMENT TELEPHONES

I have segregated the estimated receipts and expenditures of the Telephones Department from the figures relating to the General Revenue Fund of the Province. The revenue of the system is estimated at \$2,602,000—an increase of \$132,000 over the estimate for the present year. Expenditures, including the sum of \$475,000 for replacement reserve, and \$164,000 for the repayment of advances to the Treasury, total \$2,494,000, resulting in a surplus on operating account of \$108,000. Capital expenditures for construction are shown at \$106,550, which will be financed from the operating surplus of \$108,000, therefore an estimated over-all surplus on Income and Capital Account of \$1,450 is anticipated.

STATUTORY PAYMENTS

The net statutory payments are estimated at \$6,461,985, and include the sum of \$5,700,000 for reduction of the Public Debt from funds received from the sale of the Railways, and \$773,210 for the redemption of Savings Certificates and direct advances by the Treasury to local authorities for school or other essential purposes. Authorization for these disbursements is provided by various statutes of the Province, but in order to estimate the total requirements for the year, I am including the net outlay in the estimates.

INCOME AND CAPITAL ACCOUNT

Summarized, the total budgetary requirements of the Government for the ensuing fiscal year are estimated as follows:

Estimated Revenue, Income Account	\$18,818,745.00
Estimated Receipts, Capital Account	6,549,042.10
Total—Income and Capital Account	<u>\$25,367,787.10</u>
Estimated Expenditure, Income Account	\$17,621,175.52
Estimated Payments, Capital Account	2,435,734.42
Net Statutory Payments	6,461,985.00
Total —Income and Capital Account	<u>\$26,518,894.94</u>
Estimated over-all deficit	<u>\$ 1,151,107.84</u>

It would have afforded me a great deal of satisfaction, Mr. Speaker, to table a balanced budget. I feel, however, that in showing a reduction in the estimates of the over-all deficit of \$416,463 as compared with the estimates which I tabled a year ago we will, if our estimates are realized, have made substantial progress towards establishing an equilibrium between revenue and expenditure. In the main we have based our principal estimated receipts on the actual which we anticipate for the present year. I feel that the increased revenue to date this year furnishes real and satisfactory proof of growing business

and improved conditions generally throughout the Province; and although there is considerable apprehension with respect to the wheat situation, I feel satisfied we can reasonably expect to realize the estimated receipts. Controllable expenditures, Mr. Speaker, will be kept within their appropriations; and if, as the year progresses, unfavourable conditions should develop which may cause a shrinkage in the expected revenue, I wish to assure you, that curtailment in expenditures will be made wherever possible, keeping in mind, of course, the maintenance of essential services of Government.

In closing my remarks, which by the way, Mr. Speaker, have been somewhat longer than usual on similar occasions, I desire to refer to the position of our debenture debt. I feel that the members of this Assembly, both on this side of the House and those who are across the floor, are in agreement that the debt of the Province should and must be refunded on a basis that will be equitable, not merely to the holders of these securities, but also equitable to the people generally of this Province. I also have no hesitation in saying, Mr. Speaker, that it is now generally agreed by the majority of those who follow the trend of Government finance that the debt not only of this Province but that of other Provinces who have suffered the full effects of the adverse conditions of the past nine or possibly ten years, should and must be refinanced at rates of interest more comparable with their ability to pay. Those Provinces have, Mr. Speaker, maintained their interest rates by borrowing and adding substantially to their debt, but to date they have been no more successful than we have been in effecting a refunding of their debenture obligations. I regret to say I have been unable to find any evidence of an attempt to deal with this problem in a national way, as was the case in our sister Dominion, Australia. I can only say at this time that this Government is taking energetic steps to find an equitable method of accomplishing this purpose. In the meantime, we can only continue our present policy of providing payment of interest at the rates now in effect. In continuing this policy, we have avoided increasing the public debt of this Province for expenditures such as unemployment relief and essential services which we must, as a Government, maintain, and which it is impossible to meet from our restricted sources of revenue.

I wish to thank the members of this Assembly for the very attentive hearing they have afforded me, and I now move, Mr. Speaker, that you do leave the Chair, and that the House resolve itself into a Committee of Supply for the consideration of sums to be granted to His Majesty.

GOVERNMENT OF THE PROVINCE OF ALBERTA
STATEMENT OF BONDED DEBT AND TREASURY BILLS AS AT DECEMBER 31, 1938

STATEMENT No. 1

STATEMENT OF BONDED DEBT AND TREASURY BILLS AS AT DECEMBER 31, 1938

Date of Issue		Date of Maturity	Amount	Original Interest Rate	Reduced Interest Rate (a)	Where Payable	Denominations	General Revenue	Distributions
DEBENTURES PAST DUE:									
Apr. 1, 1921	Nov. 1, 1921	1, 1936	\$ 2,846,000.00	6%	3%	M., T., E.	\$500.00, \$1,000.00	\$ 888,000.00	\$ 1,958,000.00
Nov. 1, 1921	Nov. 1, 1936	Nov. 1, 1936	1,109,000.00	6%	3%	M., T., E.	\$500.00, \$1,000.00	886,500.00	222,500.00
June 1, 1931	June 1, 1937	June 1, 1937	1,650,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., N. Y.	\$1,000.00	1,650,000.00	
June 1, 1938	June 1, 1938	June 1, 1938	2,000,200.00	4%	2%	M., T., E., L.	\$100.00-0.00		2,000,200.00
			\$ 7,605,200.00					\$ 3,424,500.00	\$ 4,180,700.00
DEBENTURES AND STOCK NOT DUE:									
Jan. 1, 1919	Jan. 1, 1939	Jan. 1, 1939	\$ 1,000,000.00	5 1/2%	2 3/4%	M., T., E., N.Y.	\$100.00, \$500.00, \$1,000.00	\$ 1,000,000.00	
Jan. 15, 1924	Jan. 15, 1939	Jan. 15, 1939	2,500,000.00	5%	2 1/4%	M., T., E., N.Y.	\$1,000.00	2,500,000.00	
Jan. 1, 1924	June 1, 1924	June 1, 1924	750,000.00	5%	2 1/4%	M., T., E.	\$100.00, \$500.00, \$1,000.00	750,000.00	
Sept. 1, 1924	Sept. 1, 1939	Sept. 1, 1939	250,000.00	5%	2 1/4%	M., T., E.	\$250,000.00	250,000.00	
Feb. 15, 1924	Feb. 15, 1940	Feb. 15, 1940	2,600,000.00	5%	2 1/4%	M., T., E., W., V.	\$500.00, \$1,000.00	2,000,000.00	
Feb. 15, 1925	Feb. 15, 1940	Feb. 15, 1940	750,000.00	4 1/2%	2 1/4%	M., T., E., W., V.	\$1,000.00	750,000.00	
Apr. 15, 1925	Apr. 15, 1940	Apr. 15, 1940	750,000.00	4 1/2%	2 1/4%	M., T., E., W., V.	\$750,000.00	750,000.00	
July 15, 1926	July 15, 1936	July 15, 1936	2,250,000.00	6%	3%	M., T., E., N.Y., L.	\$1,000.00	750,000.00	
Sept. 1, 1921	Sept. 1, 1941	Sept. 1, 1941	1,800,000.00	6%	3%	M., T., E.	\$500.00, \$1,000.00	2,250,000.00	
Oct. 1, 1921	Oct. 1, 1941	Oct. 1, 1941	1,053,230.68	6%	3%	M., T., E.	\$230.68, \$1,000.00		\$1,800,000.00
Oct. 1, 1921	Oct. 1, 1941	Oct. 1, 1941	700,000.00	6%	3%	M., T., E.	\$1,000.00	420,000.00	1,053,230.68
Dec. 1, 1921	Dec. 1, 1941	Dec. 1, 1941	1,250,000.00	4 1/2%	2 1/4%	M., T., E., N.Y.	\$1,000.00	1,250,000.00	280,000.00
Jan. 15, 1927	Jan. 15, 1947	Jan. 15, 1947	1,500,000.00	4 1/2%	2 1/4%	M., T., E., W., V., N.Y.	\$1,000.00	150,000.00	
July 1, 1927	July 1, 1947	July 1, 1947	136,000.00	5 1/2%	2 1/4%	M., T., E., W., V., N.Y.	\$1,000.00	729,724.41	
Sept. 15, 1927	Sept. 15, 1947	Sept. 15, 1947	2,938,000.00	5%	2 1/4%	M., T., E., N.Y.	\$10.71, \$1.00 Stock	10,781.62	2,218,275.59
Nov. 1, 1912	Nov. 1, 1942	Nov. 1, 1942	3,500,000.00	5%	2 1/4%	M., T., E., N.Y.	\$500.00, \$1,000.00	1,500,000.00	2,000,000.00
Apr. 1, 1923	Apr. 1, 1943	Apr. 1, 1943	2,000,000.00	5%	2 1/4%	M., T., E., L.	\$500.00, \$1,000.00		
July 1, 1923	July 1, 1943	July 1, 1943		5%	2 1/4%	M., T., E., L.	\$133.34, \$100.00, \$1,000.00		
Nov. 13, 1913	Nov. 1, 1943	Nov. 1, 1943	3,080,781.35	4 1/2%	2 1/4%	\$2,947,448.01 L.	\$100.00	1,848,468.82	1,232,312.53
June 15, 1925	June 15, 1947	June 15, 1947	2,250,000.00	4 1/2%	2 1/4%	M., T., E., N.Y., L.	\$1,000.00	2,250,000.00	
Jan. 15, 1926	Jan. 15, 1946	Jan. 15, 1946	3,750,000.00	4 1/2%	2 1/4%	M., T., E., N.Y., L.	\$100.00, \$500.00, \$1,000.00	3,750,000.00	
Jan. 15, 1926	Jan. 15, 1946	Jan. 15, 1946	3,846,000.00	5%	2 1/4%	M., T., E., N.Y., L.	\$1,000.00	1,846,000.00	
Mar. 1, 1926	Mar. 1, 1947	Mar. 1, 1947	5,000,000.00	6%	3%	M., T., E., W., C., V.	\$500.00, \$1,000.00	4,104,000.00	
Jan. 1, 1926	Jan. 1, 1948	Jan. 1, 1948	4,800,000.00	5%	2 1/4%	M., T., E., N.Y.	\$1,000.00	4,800,000.00	
Apr. 15, 1925	Apr. 15, 1950	Apr. 15, 1950	3,740,000.00	5%	2 1/4%	M., T., E., N.Y.	\$1,000.00	3,272,000.00	
Oct. 1, 1925	Oct. 1, 1951	Oct. 1, 1951	5,439,000.00	4 1/2%	2 1/4%	M., T., E., N.Y., W., C., V., N.Y.	\$1,000.00	5,649,000.00	
Apr. 1, 1925	Apr. 1, 1952	Apr. 1, 1952	3,000,000.00	5%	2 1/4%	M., T., E., N.Y., W., C., V.	\$1,000.00	3,000,000.00	
July 15, 1926	July 15, 1952	July 15, 1952	1,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$500.00, \$1,000.00	1,000,000.00	
Oct. 15, 1926	Oct. 15, 1954	Oct. 15, 1954	3,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$100.00, \$500.00, \$1,000.00	2,125,000.00	
Dec. 15, 1926	Dec. 15, 1954	Dec. 15, 1954	500,000.00	5%	2 1/4%	M., T., E., N.Y.	\$1,000.00	500,000.00	
July 15, 1925	July 15, 1955	July 15, 1955	2,850,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$500.00, \$1,000.00	2,850,000.00	
Sept. 1, 1926	Sept. 1, 1955	Sept. 1, 1955	6,000,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$1,000.00	4,756,394.35	
Oct. 1, 1926	Oct. 1, 1955	Oct. 1, 1955	1,273,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V.	\$1,000.00	1,275,000.00	
Jan. 15, 1927	Jan. 15, 1957	Jan. 15, 1957	1,850,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., N.Y.	\$500.00, \$1,000.00	1,850,000.00	
Dec. 1, 1927	Dec. 1, 1957	Dec. 1, 1957	3,500,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., N.Y.	\$1,000.00	2,808,000.00	
July 16, 1928	July 16, 1958	July 16, 1958	5,913,000.00	4 1/2%	2 1/4%	M., T., E., W., C., V., L., N.Y.	\$500.00, \$1,000.00	5,915,000.00	
Oct. 1, 1928	Oct. 1, 1958	Oct. 1, 1958	7,400,000.00	5%	2 1/4%	M., T., E., W., C., V., L., N.Y.	\$1,000.00	7,400,000.00	
Jan. 1, 1909	Jan. 1, 1959	Jan. 1, 1959		5%	2 1/4%	M., T., E., W., C., V., L., N.Y.	\$100.00, \$500.00, \$1,000.00	3,913,500.00	2,086,500.00
Oct. 1, 1928	Oct. 1, 1959	Oct. 1, 1959	6,000,000.00	5%	2 1/4%				

BUDGET SPEECH OF

7

May 1, 1930	May 1, 1960	4½ c	3,000,000.00
Apr. 1, 1931	Apr. 1, 1961	4½ c	5,000,000.00
July 1, 1932	July 1, 1966	4½ c	546,000.00
June 1, 1932	June 1, 1962-67	5 c	4,866,666.66
June 1, 1927	June 1, 1967	4½ c	5,239,500.00
Feb. 15, 1924	Feb. 15, 1974	5 c	500,000.00
July 15, 1924	July 15, 1974	5 c	250,000.00
June 15, 1925	June 15, 1975	5 c	130,000.00
May 1, 1930	May 1, 1980	4½ c	1,000,000.00
Add: Debentures past due			\$120,393,086.76
Less: Sinking Funds			7,605,200.00
Sub-total			\$127,998,286.76
TREASURY BILLS:			12,431,124.33
Sub-total			\$115,567,162.43
Jan. 1, 1938	Jan. 1, 1939	3¼ c	\$ 450,000.00
Jan. 15, 1938	Jan. 15, 1939	3 c	209,000.00
Jan. 15, 1938	Jan. 15, 1939	3 c	4,599,000.00
Feb. 1, 1938	Feb. 1, 1939	3 c	500,000.00
Feb. 1, 1938	Feb. 1, 1939	3 c	4,478,000.00
Mar. 23, 1938	Mar. 23, 1939	3 c	200,000.00
Apr. 15, 1938	Apr. 15, 1939	3 c	2,007,198.00
June 1, 1938	June 1, 1939	3 c	2,448,000.00
Aug. 1, 1938	Aug. 1, 1939	3 c	4,645,000.00
Sept. 1, 1938	Sept. 1, 1939	3 c	468,750.00
Oct. 1, 1938	Oct. 1, 1939	3 c	200,000.00
Dec. 1, 1938	Dec. 1, 1939	3 c	1,600,000.00
Sub-total			6,192,000.00
Net Bonded Debt and Treasury Bills			\$ 27,906,948.00
SUMMARY:			\$143,474,110.43
Debentures past due			\$ 7,605,200.00
Debentures and Stock not due			190,393,086.76
Treasury Bills			27,906,948.00
Less: Sinking Funds			\$155,905,234.76
Net Bonded Debt and Treasury Bills			12,431,124.33
			\$143,474,110.43

(a) Interest reduced in accordance with the provisions of "The Provincial Securities Interest Act, 1937."
 (b) \$5,000,000.00 authorized. Unsold portion, \$2,000,000.00 held by the Imperial Bank of Canada as collateral security for demand notes.
 (c) Alberta and Great Waterways Railway First Mortgage Gold Debenture Bonds.

ABBREVIATIONS: M., Montreal; T., Toronto; O., Ottawa; E., Edmonton; W., Winnipeg; C., Calgary; V., Vancouver; Vic., Victoria; I., London, Eng.; N.Y., New York, U.S.A.

M., T., E., W., C., V., N.Y.	\$100.00, \$500.00, \$1,000.00	3,000,000.00	
M., T., E., W., C., V., N.Y.	\$100.00, \$500.00, \$1,000.00	3,250,000.00	
L., £1:0:0 Stock		546,000.00	1,750,000.00
		4,136,666.66	730,000.00
\$1,364,500.00 E., V., Vic., N.Y.		3,870,500.00	1,369,000.00
\$3,875,000.00 M., T., E., Vic.		500,000.00	
E., Vic.		250,000.00	
E., Vic.		130,000.00	
E.		1,000,000.00	
		\$ 99,656,035.86	\$20,737,050.90
		3,424,500.00	4,180,700.00
		\$103,080,535.86	\$24,917,750.90
		10,209,107.16	2,222,017.17
		\$ 92,871,428.70	\$22,695,733.73
Held by:			
Provincial Treasurer		\$ 450,000.00	
Dominion of Canada		209,000.00	\$ 891,000.00
Provincial Treasurer		3,618,000.00	
Dominion of Canada		500,000.00	782,500.00
Dominion of Canada		3,698,500.00	
Dominion of Canada		200,000.00	
Dominion of Canada		2,007,198.00	
Dominion of Canada		2,448,000.00	
Dominion of Canada		4,645,000.00	
Provincial Treasurer		468,750.00	
Dominion of Canada		200,000.00	
Dominion of Canada		1,600,000.00	952,000.00
		5,240,000.00	
		\$ 25,281,448.00	\$ 2,625,500.00
		\$118,152,876.70	\$25,321,233.73
		\$ 3,424,500.00	\$ 4,180,700.00
		99,656,035.86	20,737,050.90
		25,281,448.00	2,625,500.00
		\$128,361,983.86	\$27,543,250.90
		10,209,107.16	2,222,017.17
		\$118,152,876.70	\$25,321,233.73

THE HON. S. E. LOW

STATEMENT No. 2
GOVERNMENT OF THE PROVINCE OF ALBERTA

ANALYSIS OF FUNDED AND UNFUNDED DEBT AS AT
DECEMBER 31, 1938

The net funded and unfunded debt as at December 31, 1938, amounted to \$156,444,630.87, as follows:

Funded debt.....	\$155,905,234.76	
Less: Sinking funds.....	12,431,124.33	
Net funded debt.....		\$143,474,110.43
Unfunded debt:		
Savings Certificates.....	\$ 6,350,451.12	
Bank loans.....	5,700,000.00	
Superannuation fund.....	2,599,110.05	
Treasury Branch depositors' accounts.....	224,031.53	
Miscellaneous.....	301,424.99	
	\$ 15,175,017.69	
Less: Cash and investments (book value).....	2,204,497.25	
Net unfunded debt.....		12,970,520.44
Net funded and unfunded debt.....		\$156,444,630.87

In order to arrive at the net general debt the following realizable or income-producing assets may properly be deducted:

Alberta Government Telephones plant and supplies (at cost).....	\$ 15,658,277.39	
Railways, balance owing by C.P.R. and C.N.R.....	5,580,000.00	
Alberta Wheat Pool.....	4,357,888.47	
Loans to cities.....	2,660,860.59	
Working advances, net assets.....	628,972.59	
Miscellaneous.....	42,476.88	
		\$ 28,928,475.92
Net general debt.....		\$127,516,154.95

Net general debt is represented by expenditure on:

General assets at book values, consisting of:

Roads, bridges and ferries.....	\$ 39,575,766.47	
Public buildings.....	17,943,861.14	
Public works.....	797,343.59	
University of Alberta.....	4,805,633.89	
University Hospital.....	462,931.94	
Lethbridge Northern Irrigation District.....	6,716,587.57	
Miscellaneous.....	497,170.14	
		\$ 70,799,294.74

Loans and advances at book value, partially secured, subject to realization and provision for losses:

Seed grain, fodder and other agricultural relief advances.....	\$ 2,921,952.44	
Seed grain and relief advances (old).....	2,385,118.32	
Other loans and advances.....	3,318,983.30	

8,626,054.06

Deferred charges and capital losses:	
Loss on sale of railways.....	\$ 11,444,499.47
Alberta Government Telephones	9,389,443.23
*Debenture discount, net.....	5,771,473.65
Other items.....	17,903,209.09
	<u>\$ 44,508,625.44</u>
Less: Reserves and capital surplus.....	12,019,475.99
	<u>\$32,489,149.45</u>
Advances to income account, consisting of income deficits and net income assets.....	15,601,656.70
	<u>\$127,516,154.95</u>

* Including Alberta Government Telephones.

STATEMENT No. 3

GOVERNMENT OF THE PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF RECEIPTS AND PAYMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 1937
AND DECEMBER 31, 1938

INCOME ACCOUNT

PARTICULARS	Nine months ended		Increase or Decrease*
	Dec. 31, 1938	Dec. 31, 1937	
RECEIPTS—			
Dominion of Canada Subsidies	\$ 888,050.30	\$ 888,035.50	\$ 14.80
Taxes	6,588,600.42	7,285,457.00	696,856.58*
Licenses	2,451,765.27	2,157,627.16	294,138.11
Fees	2,035,875.28	1,704,718.17	331,157.11
Fines and penalties	51,789.50	46,018.72	5,770.78
Profits from trading activities	2,000,771.92	1,955,820.01	44,951.91
Refunds of expenditure	1,638,556.83	1,659,767.88	21,211.05*
From revenue-producing assets	847,430.83	806,098.64	41,332.19
Miscellaneous	54,940.19	46,249.24	8,690.95
Suspense**	247,122.32	161,650.39	85,471.93
Sub-Total	\$16,804,902.86	\$16,711,442.71	\$ 93,460.15
Unemployment relief reimbursements	1,907,807.44	1,625,207.08	282,600.36
Total Receipts	\$18,712,710.30	\$18,336,649.79	\$376,060.51

** After deducting estimated amount transferable to Trust Accounts, or refundable.

PARTICULARS	Nine months ended		Increase or Decrease*
	Dec. 31, 1938	Dec. 31, 1937	
PAYMENTS—			
Public Debt.....	\$ 2,862,445.25	\$ 2,873,678.15	\$ 11,232.90*
Executive Council.....	172,492.75	132,229.76	40,262.99
Legislation.....	93,126.92	111,472.09	18,345.17*
Agriculture Department.....	418,179.13	380,339.93	37,839.20
Agriculture Department—Water Re- sources Branch.....	41,477.52	42,597.68	1,120.16*
Attorney General's Department.....	475,043.97	501,325.95	26,281.98*
Education Department.....	2,311,397.06	2,124,735.07	186,661.99
Municipal Affairs Department.....	285,232.92	227,691.56	57,541.36
Provincial Secretary's Department.....	88,800.08	90,924.62	2,124.54*
Public Health Department.....	1,785,979.48	1,678,259.22	107,720.26
Public Works Department.....	1,979,470.16	1,792,535.65	186,934.51
Railways Branch.....	3,153.49	3,346.22	192.73*
Treasury Department.....	2,115,998.44	1,947,089.36	168,909.08
Lands and Mines Department.....	613,659.15	420,413.98	193,245.17
Trade and Industry Department.....	66,715.06	75,328.82	8,613.76*
Sub-total.....	\$13,313,171.38	\$12,401,968.06	\$911,203.32
Unemployment Relief.....	3,054,331.10	3,587,055.84	532,724.74*
Total Payments.....	\$16,367,502.48	\$15,989,023.90	\$378,478.58

STATEMENT No. 4

GOVERNMENT OF THE PROVINCE OF ALBERTA

CONSOLIDATED SURPLUS OR DEFICIT ACCOUNT

INCOME ACCOUNT

GENERAL REVENUE FUND

Year ended December 31	Particulars	Revenue	Expenditure	Surplus* or Deficit
1905	Per Order-in-Council 966/11.	\$ 635,975.57	\$ 150,021.10	\$ 485,954.47*
1906	"	1,425,059.01	1,279,041.44	146,017.57*
1907	"	1,847,452.61	1,839,064.04	8,388.57*
1908	"	2,755,900.41	2,079,708.20	676,192.21*
1909	"	2,511,851.46	2,632,935.53	121,084.07
1910	"	2,071,773.94	3,696,826.86	1,625,052.92
		<u>\$ 11,248,013.00</u>	<u>\$ 11,677,597.17</u>	<u>\$ 429,584.17</u>
1911	Per Public Accounts	2,802,325.79	3,037,618.45	235,292.66
1912	"	3,419,381.52	3,353,258.48	66,123.04*
1913	"	4,519,345.19	4,409,795.18	109,550.01*
1914	"	4,350,836.79	4,446,160.31	95,323.52
1915	"	4,144,040.18	4,742,374.81	598,334.63
1916	"	4,228,974.28	5,006,993.08	778,018.80
1917	"	5,069,303.73	5,712,643.03	643,339.30
1918	"	6,283,336.15	7,132,119.21	848,783.06
1919	"	8,004,476.10	7,905,330.47	99,145.63*
1920	"	9,005,862.21	8,544,052.16	461,810.05*
1921	"	8,486,946.25	10,605,155.91	2,118,209.66
1922	"	9,324,889.73	11,235,192.22	1,910,302.49
1923	"	10,419,146.26	10,990,830.00	571,683.74
1924	"	10,506,627.13	11,127,468.55	620,841.42
1925	"	11,531,025.99	11,343,006.45	188,019.54*
1926	"	11,912,128.27	11,894,327.74	17,800.53*
1927	"	12,263,400.64	12,479,380.97	215,980.33
Year ended March 31:				
1928 (3 months)	"	3,886,495.04	3,390,751.58	495,743.46*
1929	"	15,265,083.77	13,686,260.68	1,578,823.09*
1930	"	15,829,865.22	15,402,884.57	426,980.65*
1931	"	15,710,962.44	18,017,543.54	2,306,581.10
1932	"	13,492,430.28	18,645,481.20	5,153,050.92
1933	"	15,426,264.94	17,533,785.97	2,107,521.03
1934	"	15,178,607.44	17,056,638.86	1,878,031.42
1935	"	15,697,770.48	17,435,821.37	1,738,050.89
1936	"	16,375,151.62	18,225,949.86	1,650,798.24
1937**	"	20,743,045.72	20,665,192.83	77,852.89*
1938**	"	24,127,805.54	21,359,739.46	2,768,066.08*
		<u>\$309,453,541.70</u>	<u>\$327,063,354.11</u>	<u>\$ 17,609,812.41</u>
Less:				
	Surplus arising from excess of income assets over income liabilities and adjustments.....			\$ 5,855,720.22
	Deficit, General Revenue Fund, March 31, 1938.....			\$ 11,754,092.19
	Add: Alberta Government Telephones deficit.....			1,906,653.55
	Income deficit, March 31, 1938.....			<u>\$ 13,660,745.74</u>

**Operating results after reduction of interest charges, suspension of sinking fund provision, and after including net expenditure for unemployment relief. In previous years, unemployment relief expenditure was capitalized.

Production	Price	Value
Lbs.	Cents	
26,323,562	24.5	\$ 6,449,273
15,600,000	19.5	3,042,000
1,838,589	14.6	268,334
225,000	13.0	29,250
524,048	118.6	621,564
		6,727,379
		\$17,137,900

Production	Price	Value
Lbs.	Cents	
31,192,368	23.2	\$ 7,236,629
15,600,000	18.2	2,839,200
2,452,904	14.5	355,270
250,000	12.0	30,000
535,713	113.2	606,427
		6,803,394
		\$18,571,321

There were 97 creameries and 15 cheese factories in the year 1938, as compared with 96 creameries and 14 cheese factories in 1937.

	Production	Price	Value
	Lbs.	Cents	
MISCELLANEOUS			
Honey	162,000		\$ 162,000
Wool	510,000	7.5	3,825,000
Poultry Products	6,000	15.0	90,000
Animals Slaughtered and Sold	3,977,788		2,161,507
Game and Furs	2,161,507		
TOTAL			\$40,811,295

ACREAGE UNDER CULTIVATION—		SUMMARY		VALUE OF PRODUCTION—	
	1937	1938		1937	1938
	Acres	Acres			
Grain, Root and Fodder Crops	13,409,000	13,593,500	Grain, Root and Fodder Crops	\$134,490,000	\$118,360,000
Summerfallow	4,557,220	4,433,700	Dairy Products	17,137,900	17,871,521
New Breaking	346,000	375,400	Miscellaneous Products	40,811,295	36,454,781
TOTAL	18,312,220	18,402,600	TOTAL	\$192,439,195	\$172,686,102

STATEMENT No. 6
GOVERNMENT OF THE PROVINCE OF ALBERTA

GENERAL STATISTICS

AGRICULTURAL STATISTICS

Area—Land.....	159,232,000	acres
Water.....	4,150,400	"
Total.....	163,382,400	"

Area in square miles.....	255,285	sq. mi.
Population, 1936 census.....	772,782	
Area of National Parks.....	13,434,240	acres
Area of Forest Reserves.....	12,436,500	"
Area of Surveyed Tract.....	87,889,701	"
Area of Irrigation Tract.....	3,354,080	"
Area Irrigable.....	884,683	"
Area Irrigated.....	378,342	"
Agricultural Area.....	97,123,000	"
Area in Occupied Farms.....	40,539,934	"
Number of Farms.....	100,358	

Average Value of Farm property per Acre:

1921.....	\$28.00
1931.....	20.00
1933.....	16.00
1934.....	16.00
1935.....	16.00
1936.....	16.00
1937.....	16.00
1938.....	15.00

Acreage under Cultivation:

1906.....	659,981	acres
1921.....	11,597,018	"
1931.....	16,908,186	"
1935.....	17,982,080	"
1936.....	18,108,338	"
1937.....	18,312,220	"
1938.....	18,402,600	"

Acreage under Wheat:

1906.....	177,127	acres
1921.....	4,649,004	"
1931.....	7,938,000	"
1935.....	7,500,000	"
1936.....	7,537,200	"
1937.....	7,834,000	"
1938.....	7,969,000	"

Value of Agricultural Production:

1906.....	\$ 16,428,205
1921.....	136,355,276
1931.....	148,048,008
1936.....	160,971,490
1937.....	192,439,195
1938.....	172,686,102

Creamery Butter Manufactured:

1906.....	1,060,356	lbs.
1921.....	13,048,493	"
1931.....	22,957,922	"
1933.....	23,852,350	"
1934.....	25,601,447	"
1935.....	23,094,707	"
1936.....	25,491,105	"
1937.....	26,323,562	"
1938.....	31,192,368	"

Live Stock, 1938:

Horses.....	648,800
Milch Cows.....	440,900
Other Cattle.....	920,700
Sheep.....	833,800
Swine.....	707,000
Poultry.....	6,920,600

Shipments of Cattle from Alberta:

1932.....	96,701	head
1933.....	123,428	"
1934.....	161,578	"
1935.....	214,821	"
1936.....	317,054	"
1937.....	258,528	"
1938.....	192,796	"

Hog Marketings:

1920.....	74,237	head
1921.....	158,097	"
1922.....	394,898	"
1932.....	1,008,452	"
1933.....	1,032,169	"
1934.....	1,012,827	"
1935.....	953,752	"
1936.....	1,039,466	"
1937.....	986,206	"
1938.....	782,857	"

NATURAL RESOURCES STATISTICS

Estimated coal area, over 16,500 square miles, with coal reserves over 1,000 million tons.

Coal Production:

1906.....	1,385,000	tons
1921.....	5,937,105	"
1931.....	4,564,290	"
1932.....	4,870,030	"
1933.....	4,714,784	"
1934.....	4,748,848	"
1935.....	5,462,973	"
1936.....	5,696,375	"
1937.....	5,551,682	"
1938.....	5,230,025	"

Petroleum Production:

1924.....	844	bbls.
1931.....	1,455,195	"
1932.....	917,622	"
1933.....	1,013,040	"
1934.....	1,265,940	"
1935.....	1,263,750	"
1936.....	1,320,442	"
1937.....	2,796,908	"
1938.....	6,742,039	"

Natural Gas Production:

1921.....	4,945,884	m.c.f.
1931.....	18,327,139	"
1932.....	16,508,583	"
1933.....	16,789,911	"
1934.....	16,100,697	"
1935.....	17,267,812	"
1936.....	19,128,345	"
1937.....	26,841,760	"
1938.....	26,849,828	"

Value of Commercial Fisheries Production:

1921.....	\$ 408,868
1931.....	184,859
1932.....	133,516
1933.....	156,341
1934.....	256,903
1935.....	230,926
1936.....	313,743
1937.....	447,345
1938.....	518,792

Value of Mineral Production:

1907.....	\$ 4,657,524
1921.....	30,562,229
1931.....	23,580,727
1932.....	21,183,312
1933.....	19,702,953
1934.....	20,228,861
1935.....	22,289,081
1936.....	25,597,117
1938.....	31,654,299

STATEMENT No. 6—(Continued)

GENERAL STATISTICS

OTHER STATISTICS

Manufacturing Industries, 1936:	
No. of Establishments.....	905
Capital Invested.....	\$70,224,578
Employees.....	11,756
Salaries and Wages.....	\$12,328,471
Value of Products.....	\$74,052,010

Railway Mileage:	
1906.....	1,060 miles
1921.....	4,789 "
1931.....	5,709 "
1933.....	5,742 "
1934.....	5,740 "
1935.....	5,789 "
1936.....	5,785 "
1937.....	5,792 "
1938.....	5,792 "

Schools in Operation:	
1921.....	2,746
1931.....	3,346
1932.....	3,395
1933.....	3,451
1934.....	3,428
1935.....	3,492
1936.....	3,542
1937.....	3,591

Motor Vehicles:	
1911.....	1,631
1916.....	9,516
1921.....	40,235
1926.....	65,590
1931.....	95,686
1934.....	90,002
1935.....	94,543
1936.....	98,190
1937.....	100,197
1938.....	108,332

Gravelled Highways:

1921.....	17 miles
1927.....	350 "
1931.....	1,633 "
1934.....	2,261 "
1936.....	2,424 "
1937.....	2,445 "
1938.....	2,470 "

Bank Clearings:

1922.....	\$ 546,227,960
1929.....	1,121,287,991
1933.....	456,950,929
1934.....	476,024,314
1935.....	528,954,843
1936.....	538,913,234
1937.....	550,324,627
1938.....	539,608,066

Bank Debits:

1924.....	\$1,092,062,297
1929.....	2,008,969,312
1933.....	982,717,839
1934.....	977,696,487
1935.....	1,093,517,757
1936.....	1,096,155,091
1937.....	1,155,136,641
1938.....	1,166,319,940

Building Permits:

1924.....	\$ 6,600,400
1929.....	29,159,600
1933.....	2,825,900
1934.....	3,489,400
1935.....	5,893,000
1936.....	6,297,400
1937.....	4,901,000
1938.....	8,180,000

